
STATUTORY INSTRUMENTS

1992 No. 58

**The Ports Act 1991 (Levy on
Disposals of Land, etc.) Order 1992**

LEASES

Leases — Early termination

24.—(1) This article applies to a lease in respect of which, and to the extent to which, levy is payable by instalments under article 23, not being a lease granted to a member of the chargeable company's group.

(2) Subject to paragraph (4) below where, before the end of the levy period, a lease to which this article applies is terminated before the expiry of its stated term—

- (a) no further instalments shall become payable under article 23 (but no instalment already paid shall be repayable and no instalment which has become payable but has not been paid shall cease to be payable);
- (b) the gain accruing or regarded as accruing to the chargeable company on the disposal constituted by the grant of the lease shall be recomputed, if it would as a result be less, as if the amount deemed under article 18 to have been the consideration for the disposal had, insofar as it exceeds any premium actually required under or in connection with the lease, been an amount equal to the total of the sums payable under the lease as rent to the time at which the lease was terminated;
- (c) the amount (if any) by which the levy which would have been payable had the gain been as recomputed under sub-paragraph (b) above exceeds the aggregate amount of the instalments already paid or payable under article 23, shall be payable within the period beginning with the date of the termination which gives rise to the recomputation and ending with the next following quarter date.

(3) Where—

- (a) following a disposal constituted by a grant of a lease, there is a further disposal constituted by the grant of an interest in the land the subject of the lease; and
- (b) there is pursuant to paragraph (2) above a recomputation of the gain accruing or regarded as accruing on the first of those disposals;

there shall be a corresponding reapportionment under section 35 of the 1979 Act, as it applies for the purposes of section 17 of the 1991 Act and this Order, of the sums which, under paragraphs (a) and (b) of subsection (1) of section 32 of the 1979 Act, as it applies for those purposes, are attributable to the relevant land or interest in land out of which the lease was granted.

(4) Paragraph (2) above shall not apply where, following the termination of the lease and after the end of the levy period, a member of the chargeable company's group grants another lease in respect of substantially the same land—

- (a) to the former lessee; or
- (b) where the former lessee is a member of a group, to another member of the former lessee's group;

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on terms substantially similar to those of the first-mentioned lease (but disregarding for this purpose the term for which the lease is granted).

(5) In this article “group”, in relation to a lessee, has the meaning given by article 21(3).